**Performance and Resources Scrutiny Programme 2019/20**

**Report to: the Office of the Police, Fire and Crime Commissioner for Essex**

|  |  |
| --- | --- |
| **Title of Report:** | **Strategic Change – Efficiency, Savings and Investments Plan Update** |
| **Classification of Paper** | **Official** |
| **Agenda Number:** | **11.0 i** |
| **Chief Officer** | **Dr Vicki Harrington** |
| **Date Paper was Written** | **28th June 2019** |
| **Version Number** | **1.0** |
| **Report from:** | **Essex Police** |
| **Date of Meeting:** | **25th July 2019** |
| **Author on behalf of Chief Officer:** | **Paul Nagle** |
| **Date of Approval:** | **11th July 2019** |

1. **Purpose of Report**

This report outlines progress against current and future efficiency and savings plans as set out in the budget, and the Force Medium Term Financial Strategy (MTFS).

1. **Recommendations**

Report is for the Board to note.

1. **Executive Summary**

The 2019/20 budget set out an efficiency and savings requirement of **£6.413M**.

This is made up between cashable savings of £4.753M with a further £3.609m non-cashable efficiencies identified which in total exceeds the overall Savings and Efficiency target by £1.949m.

Work continues in year to review the non-cashable efficiencies. The confirmation of projected non-cashable efficiencies for Body Worn Video will be updated following the development of the Benefits Framework and a Post Implementation review scheduled for later this year. Work on projecting Telematics non-cashable savings is being progressed through the Telematics Board with the Efficiency & Savings Board requesting that non-savings projections be identified by the next meeting on the 26th July 2019.

**4.0 Introduction/Background**

The PFCC agreed cashable and non-cashable savings and investment plans within the 2019/20 budget. The Budget for 2019/20 was presented and agreed by the Police and Crime Panel on the 24th January 2019.

The Police, Fire and Crime Commissioner set a savings and efficiency target of 2% of Sources of Funding from 2019/20. A higher 2.25% savings and efficiency ambition has been set by the Force Efficiency & Savings Board to provide additional stretch and contingency should savings and efficiency plans not achieve the full expected benefits.

The Force estimates the future budget requirement, funding position, and any further savings and efficiency requirement within its MTFS. The projected savings and efficiency plan target for 2020/21 and subsequent years will therefore be impacted and adapted as sources of funding projections are updated within the MTFS.

**5.0 2019/20 Savings & Efficiency Plan**

Table 1.1 provides details of the 2019/20 Savings and Efficiency Plan, including the non-cashable efficiency requirement agreed at budget setting and the updated forecast position for cashable and non-cashable savings. Table 1.2 provides the difference between the latest position and budget setting, along with the detailed variance between latest July position and the position reported at June Performance and Resources board which is hi-lighted below.

|  |  |  |
| --- | --- | --- |
|  | **2019/20**  **Updated Forecast/**  **Actual**  **June** | **2019/20**  **Updated Forecast/**  **Actual**  **July** |
|  | **£m** | **£m** |
| Savings and Efficiency requirement as per MTFS | 6.413 | 6.413 |
| Cashable Savings plans | 4.789 | 4.804 |
| Indicative Efficiency (Non-cashable) plans | 4.158 | 4.158 |
| Total Savings and Efficiencies (Cashable and non-cashable) | 8.947 | 8.962 |
| Excess of Cashable and Efficiency (non-cashable) savings vs Target | 2.534 | 2.549 |

Since the last report to the P&R Board on the 26th June 2019 the efficiency and savings plan has been updated as follows-

Cashable Savings

* SCD is showing a slight overachievement due to ERSOU modifications from the original business case, increasing the projected savings by £16k. All remaining business cases are still to be processed so further variances will be expected to be reported in August.
* A small Support Services Directorate variance (£1k reduction) has occurred due to differing rates used for business cases and budget setting.

Non-cashable Savings

* No Change – Marginal Gains are currently under view and will be updated for the August board.
* A benefits paper on Telematics non-cashable savings has been produced. This will be reviewed by the Efficiencies & Savings Board on the 26th July 2019 following which the non-cashable savings projections will be updated.

The Efficiency and Savings Plan will be updated as further cashable and non-cashable savings are realised.

The Force Efficiency & Savings Board continues to meet regularly. It has steered the development of the 2019/20 Efficiency & savings plan to meet the MTFS requirement and is now focusing on the development of the 2020/21 Savings and Efficiency Plan. The next Efficiency & Savings Board will meet on the 26th July 2019, with details of the 2020/21 Savings and Efficiency Plan presented at the Performance and Resources board on the 29th August 2019.

**6.0 New Investments**

A separate more detailed report on the 2019/20 investments to support the Police & Crime Plan and the forecast expenditure from that investment is reported quarterly. Quarterly monitoring of 2019/20 investments will commence from July 2019.

**Implications/Issues**

Failure to identify sufficient savings and efficiency proposals, which are deliverable, places the Force at risk of being in an unbalanced budget position.

**7.1 Links to Police and Crime Plan Priorities**

All efficiency, savings and investment plans are considered in their potential impact to ensure they align and are consistent with the priorities set out in the Police and Crime Plan.

**7.2 Demand**

Planned investment in Police Officer numbers will directly start to address the findings of the Demand Analysis Report prepared with the support of PA Consulting which concluded that significant additional staffing may be needed in Local Policing Areas to cope with increasing levels of demand and to enable a shift towards preventative policing.

**7.3 Risks/Mitigation**

If the Force fails to plan adequately, emergency measures may need to be taken which could result in reduction in service and protection for the public.

**7.4 Equality and/or Human Rights Implications**

Any impact on equality, diversity or human rights are considered within the evaluation of detailed savings, efficiency and investment proposals individually

**7.5 Health and Safety Implications**

Any health and safety implications are considered within the evaluation of detailed savings, efficiency and investment proposals individually.

**8.0 Consultation/Engagement**

Consultation is undertaken for each savings, efficiency or investment proposal appropriately. Allowance for the potential time and resource required is taken into consideration within the financial estimates i.e. allowing for recruitment time for investment and consultation time for savings.

**9.0 Actions for Improvement**

There is ongoing action being taken to refine and develop the detail behind the savings and efficiency plans for future years, primarily through the Force Efficiency & Savings Board chaired by the Deputy Chief Constable. Early engagement will enable the development of cashable savings timelier for future years for 2021/22 and 2022/23.

**10.0 Future Work/Development**

Work has commenced in developing the detail of the 2020/21 Efficiency and Savings Plans. SLT was provided a briefing on the Efficiency and Savings Challenge on the 4th April 2019 and a further input provided by the Director of Support Services at Synergy on the 23rd April 2019. Commands have been required to consider and propose efficiency & savings proposals in June and early July and report them back to the next Efficiency and Savings Board on the 26th July 2019. Following review of proposals, the 2020/21 Efficiency & Savings plan will be reported to the 29th August 2019 Performance and Resource Scrutiny meeting.

We continue to develop processes to enable the summary reporting of non-cashable efficiency savings alongside the existing reporting of cashable savings now quarterly reporting is in place.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Table 1.1 2019/20** | **2019/20 PFCC** | **2019/20** | **2019/20** | **2019/20** | **Overall Status** | **Green** |  | **2019/20** | **2019/20** |



